



Grover G. Norquist

President

June 4, 2004

The Honorable William M. Thomas
Chairman, Committee on Ways and Means
U.S. House of Representatives
2208 Rayburn House Office Building
Washington, DC 20515-0521

Dear Mr. Chairman:

On behalf of Americans for Tax Reform (ATR), I am writing to express ATR's strong support for your legislation, **H.R. 4520, the American Jobs Creation Act of 2004**. The legislation will cut the corporate tax rate, allow for repatriation, and, most importantly, will put America in compliance with the WTO to ensure that a worldwide trade war does not begin.

Given the importance of this legislation to American taxpayers and the U.S. economy, ATR will "key vote" this legislation in our annual congressional ratings.

As you know, the Foreign Sales Corporations (FSCs) and the extraterritorial income exclusion (ETI) export subsidies were found to be in violation of World Trade Organization (WTO) agreements. As of June 1st, tariffs are now 8 percent which is imposing damage on the U.S. economy. Your legislation, H.R. 4520 provides the correct remedy to bring the U.S. into compliance with WTO rulings while reforming international tax law and spurring economic growth in America.

ATR has been a long supporter of allowing profits of foreign subsidiaries to be repatriated back into America at a lower tax rate and we are pleased this measure was included in the legislation. As much as \$400 billion could be invested into America's economy just from the repatriation component of H.R.4520, money that would never enter this country without passage of your legislation.

The tax reform you are advancing will bolster economic growth and strengthen the US economy. Americans for Tax Reform fully supports H.R.4520. I thank you for your leadership on so many issues facing American taxpayers and look forward to working with you in the future.

Sincerely,

Grover Norquist